



## Corporate Evaluation

# Management's Implementation of OVE Recommendations: IDB Group's Evaluation Recommendations Tracking System 2021

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Management's  
Implementation  
of OVE  
Recommendations:  
IDB Group's  
Evaluation  
Recommendations  
Tracking System 2021**

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# Acknowledgements

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# Abbreviations

<b>CPE</b>	Country Program Evaluation
<b>DBO</b>	Design build operate
<b>IFIs</b>	International financial institutions
<b>IIC</b>	Inter-American Investment Corporation
<b>IMF</b>	International Monetary Fund
<b>MICI</b>	Independent Consultation and Investigation Mechanism
<b>OVE</b>	Office of Evaluation and Oversight
<b>PCR</b>	Project completion report
<b>ReTS</b>	OVE Evaluation Recommendation Tracking System
<b>SPD</b>	Office of Strategic Planning and Development Effectiveness
<b>XSR</b>	Expanded Supervision Report



# Executive Summary

The Evaluation Recommendation Tracking System (ReTS) is designed to periodically provide the Inter American Development Bank (IDB) and IDB Invest Boards of Executive Directors with timely information on the actions taken by Management, the progress made, and the challenges encountered in implementing the OVE recommendations endorsed by the Boards. Assessing to what extent recommendations have been addressed is essential for institutional accountability and is a common practice at international financial institutions (IFIs). In terms of processes, OVE and Management have consolidated the progress made in previous years. In this validation period, Management began using a new system for registering action plans.

In the 2021 exercise, OVE found that the implementation of active action plans had improved compared to 2020. However, certain relevance and evaluability challenges remain. Between 2013 and 2021, OVE issued a total of 320 recommendations; of these, 120 had active action plans that were validated in the 2021 cycle. Most of the action plans active in 2021 (96%) were considered highly relevant, but 13% of the new action plans entered into the ReTS in 2021 had low relevance. In terms of implementation, the percentage of action plans implemented according to plan increased in 2021 (88% fully or substantially implemented in 2021, versus 79% in 2020). Of the 14 plans with low implementation, in six the planned annual targets were not met, in four it was difficult to measure progress due to unclear targets, and in another four the progress on or means of verification for some actions were not reported. Of these 14 action plans, 12 were for the IDB and two are being implemented jointly by the IDB and IDB Invest. Furthermore, one fifth of the active action plans lag in terms of evaluability (similar to previous years). Notably, the evaluability of new action plans in the 2021 exercise was slightly lower than in 2020.

All told, 94% of the 33 recommendations retired from the ReTS in 2021 were fully or substantially adopted, the highest percentage in the six years of ReTS validations. This constitutes significant progress; only two of the 33 recommendations retired in 2021 were not adopted, namely: one country program evaluation (CPE) (Barbados 2014 2018) and one corporate evaluation (IDB's Impact Evaluations). Notably, the ReTS tracking cycle was completed for eight evaluations in 2021: four CPEs, three corporate evaluations, and one sector evaluation. Of the evaluations for which all recommendations were retired in 2021, one CPE had a recommendation that was not adopted.



This report includes an early warning analysis for recommendations whose action plans have exhibited relevance and/or implementation challenges in at least two validation years. As for relevance, one action plan whose recommendation will be retired from the ReTS in the next tracking cycle (recommendation #3 of the Environmental and Social Safeguards Evaluation) has had a low relevance score for three consecutive years. If the action plan's relevance does not improve, its recommendation will be retired as not adopted. In terms of implementation, action plans for four recommendations that will be retired from the ReTS in the next tracking cycle have faced implementation challenges in at least two validation years, meaning that greater efforts must be made to further their implementation.

This report also includes a medium-term analysis (2013-2021) of the monitoring and evaluation of country programs and projects, a recurring issue in OVE recommendations. The analysis was based on the information registered in the ReTS and aims to give an account of the actions taken by Management for the recommendations on the monitoring and evaluation of programs and projects. Of the 309 recommendations endorsed by the Board of Executive Directors since 2013, seven are exclusively about monitoring and evaluation, and 18 address broader issues that also include monitoring and evaluation elements. These recommendations are geared towards improving the monitoring and evaluation of project and country program outcomes, as well as project follow up and evaluability. Most of the action plans designed to respond to these recommendations have been relevant and have been implemented as planned. The actions implemented are diverse and include, but are not limited to, changes in the development effectiveness matrix template, the preparation of project completion reports (PCRs), and training on monitoring and evaluation for execution units.

In conclusion, although most of the recommendations retired from the system in 2021 were adopted and clear progress has been made in action plan implementation, there is still room for improvement. Although implementation of action plans has improved, some action plans still have low implementation ratings; of those, some do not provide information about progress made or the respective means of verification. There is thus still room to improve information reporting. In addition, despite the efforts put forth over the past few years to make changes, many of the action plans that had low relevance and evaluability scores upon their entry into the ReTS have not been adjusted to be made more relevant and evaluable. Therefore, it is important to intensify the efforts made in the past few years to adjust action plans with evaluability and relevance problems, to make it possible to take appropriate, timely action to implement the recommendations endorsed by the Boards of Executive Directors.



# 01

## Introduction

- 1.1 This report presents the results of the Office of Evaluation and Oversight's (OVE) 2021 validation of Management actions in response to the recommendations endorsed by the IDB and IDB Invest Boards of Executive Directors. OVE follow up on these recommendations is essential for accountability and helps to ensure that the IDB Group takes them into account to continuously improve its performance and results.
- 1.2 This is OVE's sixth full annual validation of the progress on implementation of the action plans through the IDB Group's Evaluation Recommendation Tracking System (ReTS). The ReTS is a monitoring system designed to periodically provide the Boards of Executive Directors with information on the IDB Group's actions, progress, and challenges in implementing the recommendations made based on OVE evaluations. OVE has been reporting progress on implementation of the action plans through ReTS since 2016.<sup>1</sup> After the Boards of Executive Directors endorse a recommendation made in an evaluation, Management prepares an action plan in which it proposes the actions it will take to implement the recommendation, and OVE then monitors implementation through the ReTS. In general, the recommendations made in the evaluations and their respective action plans remain active<sup>2</sup> (i.e., are tracked under the ReTS) for four years. The annual ReTS validation process reports on 100% of active Board endorsed recommendations made since 2013 for the IDB and since 2016 for IDB Invest, and this year includes the recommendations endorsed by the IDB Lab Donors Committee.
- 1.3 This report summarizes the main results of the 2021 validation, in terms of evaluability, relevance, implementation, and adoption. It is divided into six chapters. After the introduction, Chapter II presents a summary of the methodology used and the validation process. Chapter III provides a brief overview of the recommendations and their respective action plans and summarizes the main results of the validation exercise with regard to the evaluability, relevance, implementation, and adoption of the recommendations. Chapter III also includes a section with early warnings about recommendations that have faced implementation challenges and relevance issues that have remained unresolved for over two years. In response to a request made by the Boards for a more in depth examination of the progress made and the challenges encountered in implementing

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1 From 2016 to 2018 OVE reported on the ReTS in a section of its Annual Report (documents [RE-511](#), [RE-524-2](#), and [RE-537](#)). From 2019 to 2021 it submitted full reports on the ReTS to the Boards covering the 2018, 2019, and 2020 validation cycles (documents [RE-541](#), [RE-550](#), and [RE-562](#), respectively).

2 Active recommendations: recommendations with action plans registered in the ReTS, with at least one action with an annual target or milestone proposed for that year.

the action plans for the recommendations they endorsed, Chapter IV provides a medium term analysis (2013-2020) of the recommendations made on strengthening the monitoring and evaluation of projects and country programs, chosen for discussion as a recurrent issue in OVE recommendations. Lastly, Chapter V presents the report's conclusions.





# 02

## Methodology and Processes

2.1 Every year, OVE assesses Management’s action plans in terms of their evaluability, relevance, implementation, and adoption. The same validation methodology used in previous years (Annex I) was also used for the 2021 validation; this methodology aligns with the practices of other international financial institutions (Box 2.1). For each recommendation endorsed by the IDB Board of Executive Directors or the IDB Invest Board of Executive Directors (hereinafter “the Boards”), as applicable, Management draws up an action plan. Thus, each evaluation gives rise to the same number of actions plans as endorsed recommendations.<sup>3</sup> Every year, OVE assesses the *evaluability* of the new and modified action plans. *Evaluability* refers to the extent to which the plan sets out well-defined actions, clear and measurable targets, and an appropriate timetable for interim steps and completion. Each year OVE also assesses the new and modified action plans’ *relevance* for addressing the corresponding recommendation, as well as the *implementation* of all action plans with actions proposed for the year, on a four level scale: full, substantial, partial, and negligible (Annex I). After four years, OVE assesses the degree of adoption of the recommendation, i.e., the extent to which the action plan has been relevant and implemented as intended, using the same four-level scale (Table 2.1).<sup>4</sup>

**Table 2.1. OVE criteria and four-level scoring scale**

Criterion	What is examined?	Negligible	Partial	Substantial	Full
Relevance of action plan	Extent to which action plan addresses the recommendation	Action plan largely fails to address the recommendation	Action plan has considerable shortcomings in addressing the recommendation	Action plan addresses the recommendation with minor shortcomings	Action plan addresses the recommendation completely
Degree of implementation of action plan	Extent to which actions due or expected to make progress in that year were implemented as planned	Virtually no (relevant) actions were completed as planned	Few/minor (relevant) actions were completed as planned	Most (relevant) actions were completed as planned	All (relevant) actions were completed as planned
Level of adoption of recommendation	Extent to which the IDB Group has adopted the recommendation	Either relevance of action plan OR level of implementation was negligible	Action plan was at least partially relevant AND at least partially implemented	Action plan was at least substantially relevant AND at least substantially implemented	Action plan was fully relevant AND fully implemented

Source: OVE, [Methodology infographic](#).

Note: For adoption, the scale uses the degree of relevance and the overall (or global) implementation in all years in which the action plan was active. This overall implementation score is based on a holistic vision of the extent to which the action plan has been implemented and is not a simple average of the annual implementation scores.

<sup>3</sup> In some cases, such as the Evaluation of the Independent Consultation and Investigation Mechanism (MICI), an evaluation may give rise to more action plans than recommendations since for the same recommendation a different action plan may be prepared for each implementing institution (IDB, IDB Invest, and MICI).

<sup>4</sup> OVE monitors the recommendations over a period of four years or until the date on which the recommendation is addressed.

### **Box 2.1. Other international financial institutions' systems for tracking recommendations**

**Tracking and monitoring evaluation recommendations is a common practice at international financial institutions (IFIs).** In 2022, OVE conducted an informational survey and found recommendation tracking to be a formalized practice at the nine participating IFIs (IDB, IMF, African Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Central American Bank for Economic Integration, World Bank, Asian Development Bank, and Islamic Development Bank).

**At almost all the IFIs, it is a standard practice for the management to prepare action plans.** The action plans establish a set of actions designed to respond to the office of evaluation's recommendations, set a deadline for fulfillment, and serve as the tool to measure progress on implementation of the institution's recommendations. Of the IFIs consulted, the World Bank is the only one that does not draw up action plans as such, since the 2019 reform of its recommendation tracking system. However, the World Bank's new process does include the use of a template for reporting progress on the expected results of each recommendation made by the office of evaluation.

**At most of the IFIs, the office of evaluation assesses the management's reports on implementation of the recommendations.** Most of the IFIs have adopted a two-stage system for monitoring the implementation of recommendations, in which the office of evaluation validates the information self-reported by the management. Of the nine institutions surveyed, the IMF is the only one whose office of evaluation does not perform this validation.<sup>a</sup>

**In tracking recommendations, all the institutions monitor implementation of the action plans, and most also track their relevance and adoption.** Some IFIs only record the current stage or status<sup>b</sup> of implementation (World Bank, Islamic Development Bank, European Bank for Reconstruction and Development, European Investment Bank), while others (including the IDB) assess implementation performance in view of the stipulations of the action plan. Furthermore, seven of the nine institutions monitor the action plans' relevance, and over half-track adoption of the recommendations.

**Lastly, the various IFIs retire recommendations from their systems in different ways.** Over half of the IFIs (including the IDB) retire the recommendations from the tracking system on set dates. The other four use various methods. For example, at the Central American Bank for Economic Integration, the management and office of evaluation must come to an agreement to retire a given recommendation from the system, while at the IMF, the Executive Board must endorse the management's decision to do so.

*Source:* OVE with self-reported information from the IFIs it contacted in 2022.

*Notes:* <sup>a</sup>However, the office of evaluation may respond to what management reported in the progress reports; this document is circulated before the meeting with the Executive Board. <sup>b</sup>"Status" refers to whether implementation has not yet begun, has begun, or has been closed. At the World Bank, implementation of recommendations is classified as "initial" when recommendations have been in the system for one to two years; "midterm" for recommendations with two years, and "mature" for recommendations with three to four years of implementation.

2.2 The validation process has been consolidated over time. Since the pilot validation in 2014, ReTS processes have been strengthened and their scope has been expanded (Annex I, Box I.1.2). Starting in this validation cycle, Management incorporated the use of the TeamMate+ computer system to register,



manage, and update the action plans. A period of learning and adjustment naturally followed this change in the registration system. During that time, some registration errors were made in the correct fields, which led to delays in the validation process. These errors were resolved through continuous coordination and feedback among OVE, the Office of Strategic Planning and Development Effectiveness (SPD), and the IDB Invest Strategy and Development Department. For the third year in a row, OVE continued to give feedback on the draft versions of new action plans and on some active action plans that Management has modified (with regard to relevance and evaluability), in order to provide an opportunity for improving the plans before they became final (in 2021, 10 evaluations benefited from this process; see Annex II). In addition, OVE and SPD worked together in 2022 to develop a virtual nanocourse on the ReTS methodology and validation process, to facilitate access and improve understanding of the ReTS. This nanocourse will be open to all IDB Group staff on the Bank's eLearning portal, towards the end of 2022.



# 03

Results of the  
2021 Validation

3.1 Between 2013 and 2021, OVE issued a total of 320 recommendations, of which 120 were active and assessed in the 2021 cycle. Of the 320 recommendations issued since 2013, 309 (97%) have been endorsed by the Boards of Executive Directors (2 of them only partially) (Annex III). During the 2021 validation process, 125 of the endorsed recommendations were active. Of those, 120 had OVE validated action plans.<sup>5</sup> Of the recommendations that were active in this validation cycle, 23 were newly registered in 2021. Table 3.1 provides an overview of the action plans assessed for the four ReTS dimensions in the 2021 cycle. The number of action plans assessed for implementation is lower than the total number of action plans, since it does not include the new action plans that will only begin to be implemented this year. Likewise, the number of recommendations assessed for adoption is lower because adoption is only assessed when the action plan is closed.

**Table 3.1. Evaluations and action plans in the ReTS in 2021**

	# of action plans	# of evaluations
<b>Total 2020</b>	<b>120</b> <b>(23 new action plans)<sup>a</sup></b>	<b>30</b> <b>(4 new evaluations)</b>
<b>Evaluability</b>	120	29
<b>Relevance</b>		
<b>Implementation</b>	112 <sup>b</sup>	27 <sup>b</sup>
<b>Adoption</b>	33	13 <sup>c</sup>

Source: OVE.

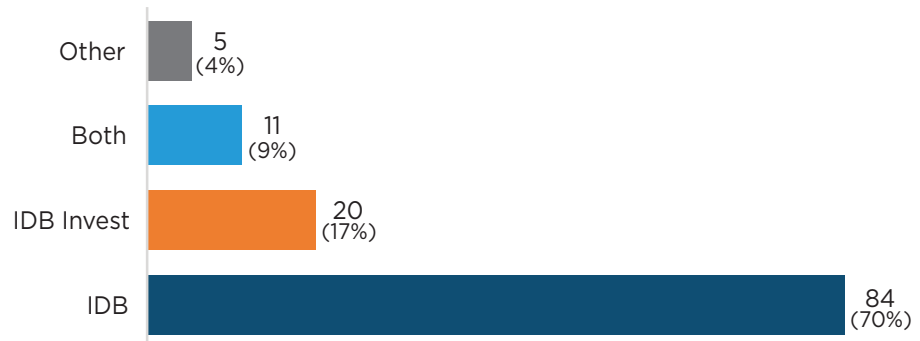
Notes: <sup>a</sup> 23 action plans for four evaluations: MICI (providing five recommendations with 11 action plans, because they are directed at different agencies: MICI, IDB, and IDB Invest), PCR/XSR 2019-2020 (four action plans), IDB Lab (there are action plans for only three of the five endorsed recommendations, because there are no action plans for the two recommendations made for the Donors Committee), and PCR/XSR 2020 2021 (five action plans). <sup>b</sup> Eight action plans (three IDB Lab recommendations and five PCR/XSR 2020 2021 recommendations) do not have an implementation score because they are new ones that only have relevance and evaluability scores. <sup>c</sup> All the recommendations of eight of the 13 evaluations were retired from the ReTS in 2021 (27 recommendations).

3.2 Most of the recommendations active in the ReTS in 2021 were directed at the IDB and originated in CPEs, followed by corporate evaluations. All told, 70% of the action plans validated in 2021 were for recommendations made to the IDB, 17% to IDB Invest, 9% to the IDB and IDB Invest together, and 4% to MICI (Figure 3.1). Of the 120 action plans active in 2021, 52% originated in CPEs, 31% in corporate evaluations, 11% in project evaluations, and 7% in sector or thematic evaluations.

5 Because of the social and political situation in Nicaragua and the lack of a new IDB Group Country Strategy with Nicaragua, action plans have not been set up for the five recommendations made in the 2013-2017 CPE. When Management takes action that has a bearing on those five recommendations, OVE will track it, but will not assess it for the four dimensions of evaluability, relevance, implementation, and adoption.

**Figure 3.1**  
**Breakdown of action plans validated in 2021: IDB, IDB Invest, and MICIa (2021)**

Source: OVE



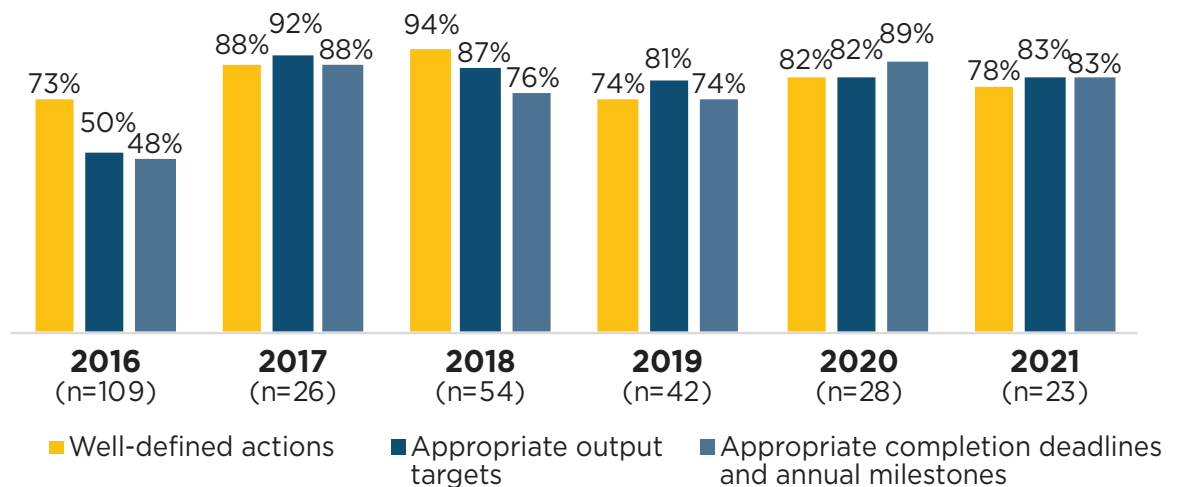
Note: <sup>a</sup>The three action plans for IDB Lab are included in the IDB category (n=120 action plans).

## A. Evaluability

3.3 The evaluability of the new action plans in the 2021 exercise was slightly lower than in 2020. Considering only the new action plans entered into the ReTS in the year in question, in 2021 evaluability dropped compared to the previous year, especially in connection with the plans having well defined measures and appropriate completion deadlines and annual milestones (Figure 3.2). The evaluability of one third of the new action plans (8 of 23) was deficient in some way (all these plans were for the IDB) (Annex IV, Section A).

**Figure 3.2**  
**Evaluability of the new action plans by validation year (IDB Group)**

Source: OVE



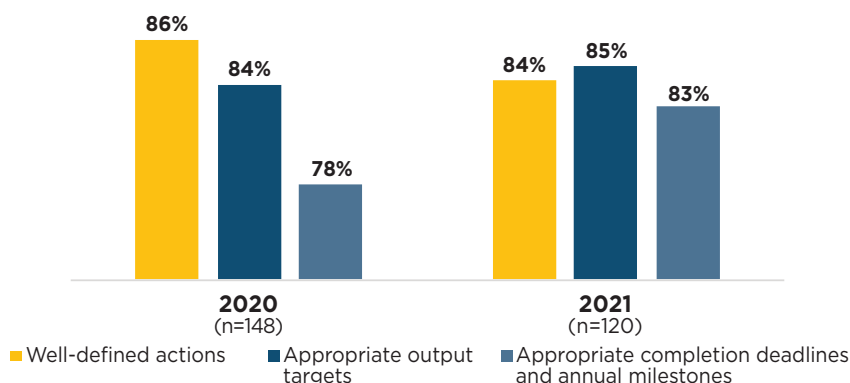
Note: For the years 2017-2021, this figure shows the action plans that were validated for the first time in the year in question (in some cases, their evaluability ratings may have changed in subsequent years). For 2016 (the first full validation cycle), all the validations conducted that year are included.

3.4 Although the evaluability of the new action plans was lower in 2021 than in 2020, the percentage of all active action plans with low evaluability was similar in the two cycles. Although around 20% of the action plans validated in 2021 exhibited evaluability

shortcomings that hinder validation of the progress achieved, some improvements were made in the active action plans that have appropriate completion deadlines and annual milestones (Figure 3.2). Overall, in 2021 the percentage of plans with evaluability shortcomings is similar to the percentage in 2020, but the evaluability of the new action plans is slightly lower than it was in 2020. This is partially due to Management's efforts to adjust and improve 15<sup>6</sup> of the 41 action plans with low evaluability scores that originated in prior periods and remained active in 2021, and to the fact that some recommendations that had evaluability issues in 2020 were retired last year.<sup>7</sup> However, most of the active action plans with evaluability shortcomings in 2021 are action plans from prior cycles that have not been modified, even though there were opportunities to do so.<sup>8</sup>

**Figure 3.3**  
Evaluability of active action plans in the 2020 and 2021 validation cycles (IDB Group)

Source: OVE



## B. Relevance

3.5 OVE found that most of the new action plans were relevant and that the ones directed at IDB Invest were more relevant than the ones directed at the IDB. Considering only the new action plans entered into the ReTS in the year in question, 20 of the 23 new action plans were relevant, which is a lower percentage than in 2020 (Annex IV, Figure I.4.4). Of the new action plans entered into the system in 2021, all the ones for IDB Invest had high relevance (full or substantial), while only 8 of 11 action plans for the IDB did<sup>9</sup> (Annex IV, Section B, Figure I.4.5).

6 Of these 15 action plans, 10 were improved in terms of having appropriate completion deadlines and annual milestones, 2 in terms of having well defined measures and appropriate output targets, 2 in having appropriate output targets, and 1 in all three evaluability dimensions.

7 In all, 13 recommendations whose action plans had some kind of evaluability issue were retired in 2020.

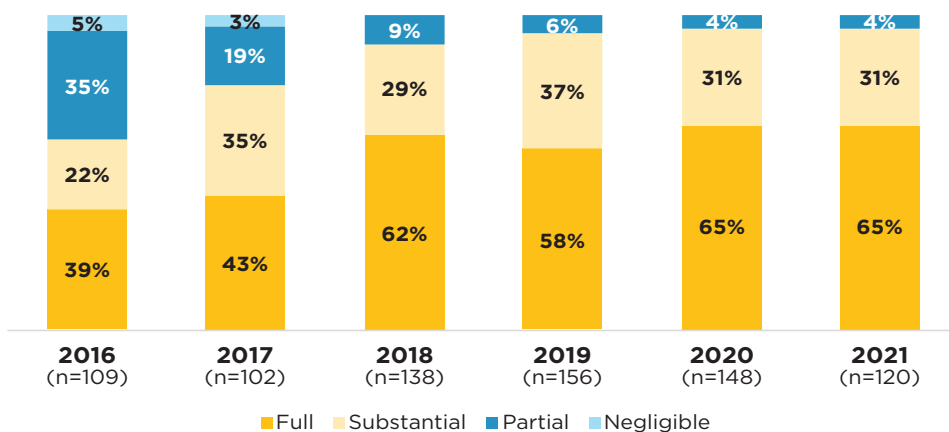
8 In all, 32 of the 40 action plans with evaluability issues in 2021 were from prior years. Furthermore, 26 of the action plans with low evaluability were not modified and 2 were, but they continued to have at least 1 evaluability problem.

9 This is a recurrent pattern with all the new action plans entered into the ReTS from the system's beginning. Specifically, from 2016 to 2021, 97% of the new action plans for IDB Invest were considered to have high relevance (full or substantial), versus 89% of the

**Figure 3.4**

**Relevance of active action plans, by year of validation**

Source: OVE based on ReTS data.



Note: In Figure 3.4 the sum of full and substantial relevance differs from the total reported in 2019 (94%) due to decimal rounding.

3.6 OVE found that most of the action plans validated in 2021 were relevant for putting the recommendations into effect. Continuing with the positive trend observed in previous periods, the action plans are highly relevant for fulfilling the recommendations.<sup>10</sup> That said, in 2021, 5<sup>11</sup> of the 120 active action plans were scored as only partially relevant (Figure 3.4). These five action plans consisted of the three new action plans<sup>12</sup> entered into the ReTS in 2021 with partial relevance, one of the action plans that remained active from prior years and kept its partial relevance rating,<sup>13</sup> and one action plan whose rating worsened compared to 2020.<sup>14</sup> The reasons behind the low relevance of these five action plans were that: (i) the actions are aligned with the recommendation but are insufficient to address it or leave significant elements unaddressed (three cases); and (ii) the actions are too general, making it difficult to determine whether they will lead to the expected outcome (two cases) (Annex IV, Table I.4.3). It bears noting that the five recommendations with low relevance remain active in the ReTS.

new action plans for the IDB and 72% of the ones for both institutions.

10 This trend is also reflected in the analysis of the 2021 relevance results grouped by evaluation level. All the recommendations made for 26 of the 29 validated evaluations were classified as substantially or fully relevant (Annex IV, Table I.4.4).

11 Of the five partially relevant action plans, four are for the IDB and one is for IDB Invest.

12 Two recommendations made in the Review of PCR 2019 and one made in the Review of PCR 2020.

13 The Environmental and Social Safeguards action plan entered the ReTS in 2019 as partially relevant, and that score remained unchanged in the 2020 and 2021 validations.

14 The Costa Rica 2015 2018 CPE action plan was entered in 2019 as substantially relevant. However, in 2021 its relevance score dropped to partial, since even though OVE had suggested, in its 2020 validation, incorporating actions to address part of the recommendation directed at IDB Invest (to ensure that the operations address key development needs in the country, like strengthening value chains, increasing competition in the financial sector, and providing local currency finance) and thereby cover the entire scope of the recommendation, these changes were not made for the 2021 period. Management provided information on certain actions being taken in 2022 and others taken in prior years as part of its feedback on the draft 2021 ReTS Report. However, this information was not reported through ReTS, no modifications were made in the action plans to include these actions. For OVE to take this information into account in the next validation cycle, Management should modify the action plan to reflect the relevant actions being taken that have not been registered in the ReTS.

3.7 In the past few years, Management has made efforts to improve the action plans' relevance. As it did in the past few years, in 2021 Management made efforts to improve the action plans' relevance, through OVE's informal feedback process (Annex II). Management made changes to or provided additional information for three of the four<sup>15</sup> action plans with low relevance scores in 2020, and their relevance improved in 2021. In addition, three action plans were modified to improve their relevance ratings from substantial to full. Four of the six action plans whose relevance score therefore improved in 2021 received informal feedback from OVE (including meetings), as well as the written feedback provided in the annual validation (Table 3.2 and Box 3.1).

**Table 3.2. Improvements in action plan relevance from 2020 to 2021**

Evaluation	Rec.	Responsible institution	Informal feedback in 2021	Relevance of the action plan	
				2020	2021
CPE: Honduras 2015 2018	3	IDB	Yes	Partial	Total
Review of Knowledge Generation & Dissemination in the IDB	3	IDB	Yes	Partial	Substantial
CPE: Peru 2012 2016	3	IDB Invest	No	Partial	Substantial
CPE: Costa Rica 2015 2018	1	IDB	Yes	Substantial	Total
CPE: Mexico 2013 2018	IIC-3	IDB Invest	No	Substantial	Total
CPE: Panama 2015 2019	IDB Invest 5	IDB Invest	Yes	Substantial	Total

Source: OVE-ReTS.

**Box 3.1. Example of modifications made to action plans to increase their relevance**

In its recommendation #3, the CPE: Honduras 2015 2018 advised taking steps to include, in the priority areas of future country strategies, any actions and objectives of the existing loan portfolios in the country that align with the Bank's medium term lines of work in the sectors, to facilitate execution, monitoring, and tracking of results, as well as maintenance of the respective dialogue. In 2020, the action plan included actions aligned with the recommendation, such as: lending continuity, through financial and nonfinancial instruments, to the medium term lines of work, and including, in the priority areas of future IDB Group country strategies 2019 2022, the actions and objectives of the existing loan portfolios in the country that align with the Bank's medium term lines of work. Nevertheless, the milestones that were included in the action plan did not follow a logic of progress over the implementation period, and the action plan included milestones that did not directly depend on Management.

In 2021, Management took note of OVE's observations and modified the plan to narrow it down to its sphere of work, establishing a commitment to review the portfolio to verify progress in the country strategy priority areas, and to identify corrective actions where necessary. In addition, milestones for 2022 were included in the four recommendation actions, demonstrating a logic of progress over time. The action plan's relevance thus improved from partial to full.

Source: OVE (Anexo IV).

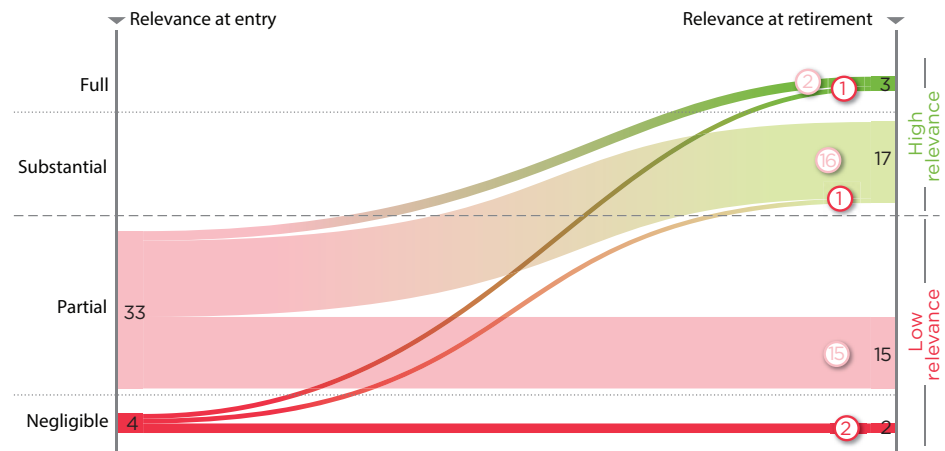
<sup>15</sup> In 2020 six action plans were considered partially relevant. However, two of them were retired in 2020 and thus were no longer active for the 2021 fiscal year.

3.8 As shown by the retrospective analysis of all the recommendations retired in the history of the ReTS, ensuring that the action plans are relevant from the time they are registered in the system is highly important to the recommendations' future adoption. Looking beyond the 2021 cycle, OVE finds that, of all the action plans entered into the ReTS with low relevance scores, and whose recommendations were retired in 2021 or in prior fiscal years (37), around half still had that low relevance score when they were retired (Figure 3.5). The majority (15 of 16) of these cases are action plans entered into the ReTS in 2016 and retired up to 2019, and 1 was an action plan that was entered into the ReTS in 2018 and was retired, unmodified, in 2020. This demonstrates Management's efforts to improve the action plans' relevance over the past few years and reveals the importance of ensuring good relevance starting in the design stage and of continuing to modify the active action plans with low relevance scores.

**Figure 3.5**

**Relevance of action plans that were entered into the ReTS with low relevance and have already been retired**

Source: OVE con base en datos de ReTS.



Note: From the ReTS' first cycle, 45 action plans that were entered with low relevance scores have already been retired. However, this analysis does not include eight action plans that were entered in 2016 (the year the ReTS started) and were retired that same year since there were no possibilities whatsoever of improving their ratings. The figure shows the action plans' relevance upon their entry into the ReTS (which could be in different years), and their relevance when their respective recommendations were retired (again, in any year from the beginning of the ReTS to 2021).

## C. Implementation

3.9 In 2021, the percentage of action plans implemented as planned (fully and substantially) improved compared to 2020. In all, 88% of the action plans that included actions to be conducted in 2021 were implemented on time (implementation rating of full or substantial), a higher percentage than in 2020 (79%). Among the plans executed on time, the percentage with implementation scores of full also increased.<sup>16</sup> Furthermore, the implementation scores of nine of the 14 action plans that were partially

16 "Full" implementation (all actions completed as planned): 30% in 2020 and 43% in 2021.

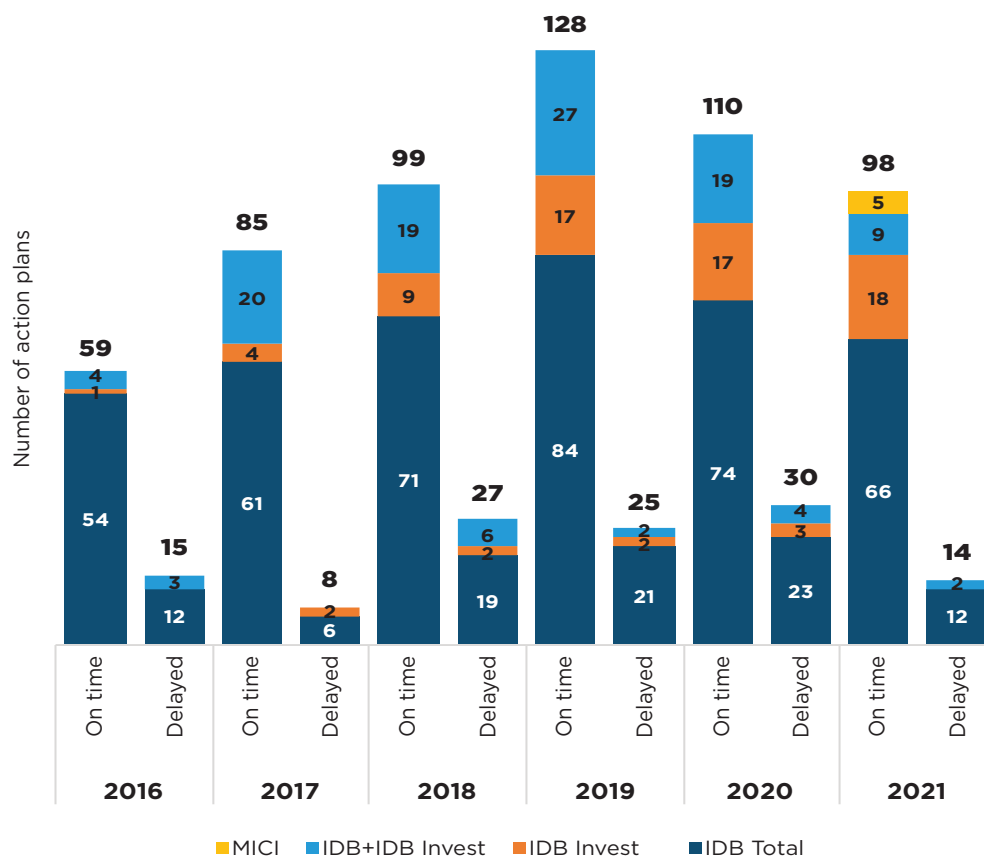


implemented in 2020 improved in 2021 (Figure 3.7 and example in Box 3.2). Of the 14 action plans with low implementation in 2021, 12 were for the IDB and two are being implemented jointly by the IDB and IDB Invest (Figure 3.6). By evaluation type, most of the delayed action plans (with low implementation) were for country evaluations (eight), three were for corporate evaluation recommendations, two for project evaluations, and one for a sector evaluation.

**Figure 3.6**

**Implementation status of action plans, by year of validation and institution responsible for implementation**

Source: OVE ReTS.



Note: IDB includes IDB Lab; IDB+IDB Invest refers to action plans implemented jointly by the IDB and IDB Invest.

3.10 The low implementation ratings of the action plans corresponding to 14 recommendations in 2021 were due to the failure to meet annual targets, difficulties in measuring progress due to unclear targets, and a lack of information or means of verification. Of the 14 action plans with low implementation ratings in 2021, four were new action plans, five were action plans whose scores had dropped compared to 2020 (see example in Box 3.2), and 5 had maintained the partial or negligible implementation rating they earned in 2020 (Figure 3.6).<sup>17</sup> The factors affecting implementation,<sup>18</sup> ordered by frequency, are: (i) targets for annual milestones were not attained

<sup>17</sup> Annex IV.D presents an analysis disaggregated by the institution responsible for implementation of the action plan.

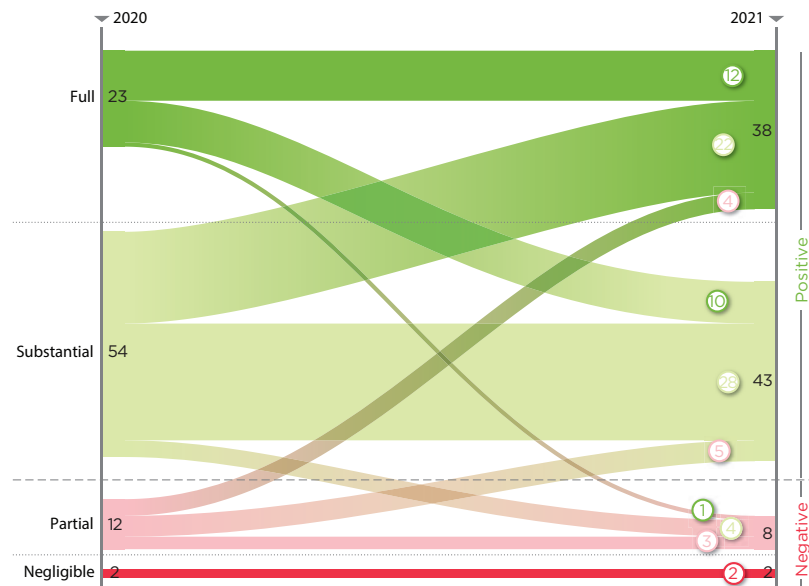
<sup>18</sup> Action plans may suffer from more than one of the delay-inducing factors.

as planned (six cases); in three of these cases, the action plans indicated that this was because the national governments' priorities or interests had changed; (ii) difficulty measuring progress due to evaluability problems resulting from a lack of clear targets (four cases); and (iii) information on progress toward milestones was not reported, or adequate means of verification for validating implementation were not submitted (four cases). The latter reason reveals the need to improve information reporting on action plan implementation, to enable disclosure of the progress status and reflect it in the implementation rating. Among the action plans whose 2020 full or substantial implementation ratings dropped to partial in 2021,<sup>19</sup> the notable implementation challenges involved delays in the activities, prioritization of other activities, and a lack of information for measuring progress.

**Figure 3.7**

**Changes in action plan implementation status from 2020 to 2021 (IDB Group)**

Source: OVE ReTS.



Note: In 2021, implementation of 120 action plans was assessed. Of those, 91 were active and were part of the analysis in both years (2020 and 2021).

3.11 For evaluations as a whole, the percentage of recommendations implemented on time also increased in 2021. For each of the 27 evaluations with actions active in 2021 (Table 3.1), OVE calculated the percentage of recommendations with an annual implementation rating of substantial or full. On average, for 2021, 87% of the evaluations' action plans had been implemented on time, the highest average of the past four validation cycles (Annex IV.C). Of the 27 evaluations considered, 17 had 100% of their recommendations implemented on time and only two (CPE Ecuador 2012-2017 and the evaluation of the IDB's Impact Evaluations) had an on-time implementation percentage of less than 50% in 2021.

19 These action plans were for the following recommendations: #5, CPE Argentina 2016 2019; #3, CPE Bolivia 2016 2020; #2, CPE Ecuador 2012 2017; #2, CPE Peru 2012 2016; and #5, Review of Bank Support to Tax Policy and Administration (2007-2016).

### **Box 3.2. Examples of action plan improvements and implementation challenges in 2021**

#### **Example of evaluation with action plan implementation improvements:**

The implementation score for two of the three Paraguay 2014 2018 Country Program Evaluation recommendations went up in 2021 from 2020. The implementation score for recommendation #1 on redefining the Bank's model of intervention in Paraguay with a more comprehensive vision of institutional development and targeting sectors where the Bank has a comparative advantage improved from partial to substantial from 2020 to 2021. The advancements made in the implementation of this recommendation in 2021 included: (i) preparation of two knowledge products focused on institutional strengthening and development issues, and a study of the institutional barriers to formalization of the economy, geared towards building institutional capacity to improve the quality of regulation in the country; and (ii) approval of two policy based loans (PR L1177, PR L1180), whose objectives are to modernize the State and support the transparency agenda in Paraguay. In addition, the implementation score for recommendation #3 ("Continue working with the country to simplify the ratification and budget processes") went up from substantial to full. For this recommendation, in both years the action plan established, as a milestone, implementation of at least one action identified in the 2019 diagnostic review of the Ministry of Finance's legal framework for borrowing. In 2020, Management reported that, due to parliamentary delays resulting from the pandemic, it had not been possible to implement the proposed action. In 2021, on the other hand, significant progress was made on the recommendation, notably the incorporation of operation PR L1180 in the Annual Budget Law 2022 (action suggested by the study), as well as the ratification of all the loans approved in 2021 the same year they were approved.

#### **Example of evaluation with action plan implementation challenges:**

The implementation score for two of the five Argentina 2016 2019 Country Program Evaluation recommendations worsened in 2021 compared to 2020. The implementation score for recommendation #2 on continuing to work with the government on implementing reforms supported by programmatic policy based loans during the evaluation period dropped from full to substantial. Meanwhile, the implementation score for recommendation #5 ("Develop and implement an action plan to more systematically address the lack of maintenance of IDB financed infrastructure, especially at the subnational level") dropped from full to partial. For this latter recommendation, there were problems implementing the four action plan actions: action 1 proposed, as a milestone, strengthening and scaling up the use of design build operate (DBO) contracts for the water and sanitation sector, by awarding a DBO for the Concordia sewage treatment plant; however, due to delays in preparing the bidding document, the contract remains unsigned to date. For action 2, the 2021 milestone was the performance of a diagnostic assessment and a government asset management proposal. However, achievement of the milestone was delayed since the government has not yet responded to the Bank's proposal. Action 3 set the milestone of systematizing, in a diagnostic assessment, the main challenges facing the subnational governments for infrastructure maintenance. However, the diagnostic assessment was not performed since other activities were prioritized. Lastly, the milestone for action 4 was production of a document on lessons learned in DBO contracts. However, due to the delays with the DBOs, the information needed to reach this milestone is not available to date.

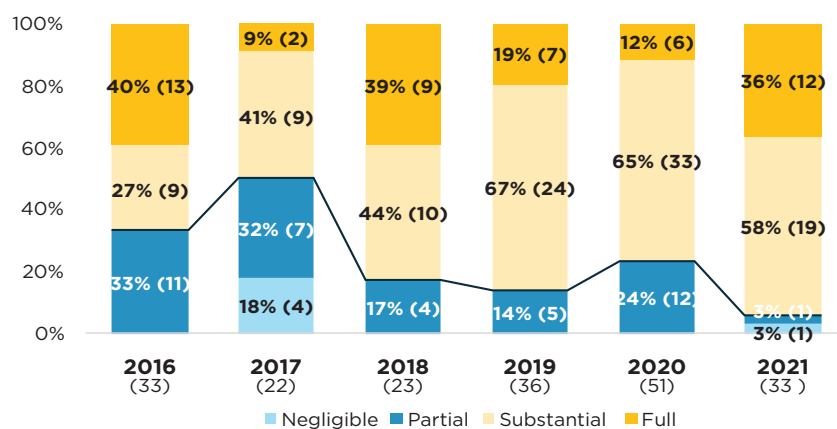
Source: OVE - ReTS.

## D. Overall adoption of OVE's recommendations

3.12 In 2021, 33 recommendations stemming from 13 evaluations were retired. Of these, 31 were considered to have been substantially or fully adopted. This is a larger share than in all the preceding years. In 2021, OVE evaluated the extent of adoption of 33 recommendations whose established final date had been reached or that had been tracked for four years under the ReTS. It found that 31 (94%) had been fully (12) or substantially (19) adopted and are being retired as adopted (versus 76%, in 2020). The percentage of recommendations that were fully or substantially adopted in 2021 is the highest in all six years of ReTS validations (Figure 3.8 and Annex IV.D).

**Figure 3.8**  
Overall adoption of retired recommendations, 2016-2021

Source: OVE-ReTS.



3.13 Two Board endorsed recommendations were retired in 2021 with partial or negligible adoption, and consequently certain aspects thereof were not addressed. These recommendations were from one CPE (Barbados 2014-2018) and one corporate evaluation (IDB's Impact Evaluations). In both cases the recommendations were not adopted due to low implementation. The fact that these recommendations have not been adopted suggests that the underlying aspects that motivated them (the need to analyze the determinants of Barbados' inadequate legal and institutional framework and to create a transparent financing mechanism for impact assessments) remain unresolved (Box 3.3). At the evaluation level, in 2021 the ReTS cycle was completed for eight evaluations (meaning that all their recommendations were retired); one of their recommendations was not adopted. By type of evaluation, all the recommendations made in the sector and corporate evaluations whose cycles in the ReTS closed in 2021 were adopted, while one recommendation made in one of the four CPEs whose cycles were completed in the ReTS remained unadopted (Box 3.3 and Annex IV).

**Box 3.3. Recommendations retired as unadopted in 2021**

**Recommendation #2 of the CPE Barbados** (directed at the IDB) is retired having been only partially adopted, due to the partial implementation of the actions proposed in its action plan. Specifically, Management reported that the joint IDB and Government of Barbados study designed to analyze the determinants of the country's weak legal and institutional framework had not been performed, since the Government of Barbados was not interested in the issue during the period. Neither were the actions to provide the project execution units with staff members and to establish flexible execution arrangements implemented, since no new investment loans were approved in the period.

**Recommendation #4 of the evaluation on IDB's Impact Evaluations** (directed at the IDB) was retired with a negligible adoption score because Management did not provide information about or means of verification for the actions implemented during any of the years in which the recommendation was active. Therefore, OVE was unable to evaluate whether the main problems underlying the recommendation, which involved the financing mechanisms for the impact evaluations, had been addressed (see Annex IV).

Source: OVE - ReTS.

Note: <sup>a</sup> Recommendation #4 of the evaluation of the IDB's Impact Evaluations: Develop a transparent funding mechanism, aligning the interests of clients and the Bank. When an impact evaluation is deemed relevant and feasible for a loan, it should be incorporated into the monitoring and evaluation system funded by that loan to the extent that it will be informative for the country and for preparation of the project completion report. If there are longer-term impacts that can be measured only after the project closes, post project evaluation work should be funded by Bank managed resources. There will still be active recommendations from this evaluation in the next cycle.

**Table 3.3. Adopted recommendations in evaluations whose monitoring cycle in the ReTS ended in 2021**

Type of evaluation	Evaluation	Adoption percentage
Sector	Evaluation of Bank support for gender and diversity issues	3/3
Corporate	Evaluation of the Implementation of the Private Sector Merge-out	3/3
Corporate	Independent Assessment of Macroeconomic Conditions	5/5
Corporate	OVE's Review of Project Completion Reports (PCRs) and Expanded Supervision Reports (XSRs) 2017	2/2
CPE	CPE: Bahamas 2010-2017	4/4
CPE	CPE: Ecuador 2012-2017	3/3
CPE	CPE: Barbados 2014-2018	2/3
CPE	CPE: Peru 2012-2016	4/4

Source: OVE-ReTS.

Note: The summary in the table covers all the recommendations made in these evaluations. All were retired in 2021.

## **E. Early warning: recommendations whose action plans exhibit relevance and/or implementation challenges in at least two years**

- 3.14 This section presents an early warning analysis of recommendations whose action plans have exhibited relevance and/or implementation challenges in at least two years. In this report OVE has included an early warning analysis to provide Management and the Boards of Executive Directors with information on the recommendations at risk of not being adopted if additional efforts are not made to correct their course. To determine these recommendations, OVE has identified the action plans that have had low relevance and/or implementation ratings for at least two years since they were entered into ReTS, meaning they are at risk of not being adopted in the coming cycles.
- 3.15 Five recommendations whose action plans have exhibited challenges in terms of relevance (one case) or implementation (four cases) during at least two years of validation are at risk of being retired as not adopted if no changes are made. Analyzing the information reported in the ReTS, OVE identified one action plan (for recommendation #3 of the Environmental and Social Safeguards Evaluation) whose ReTS relevance score has been partial for three consecutive years. This low relevance is caused by the fact that specific actions have not been identified to address one part of the recommendation (Tables 3.4 and 3.5 and Annex IV.B). On this point, it is important to highlight that Management may modify targets and actions in new action plans and in action plans from prior years that remain active, to improve their relevance by incorporating as yet unaddressed aspects of the recommendations.<sup>20</sup> In addition, OVE detected that four action plans have had low implementation scores in at least two years of reporting in the ReTS, and that these plans include significant actions that have not been implemented yet.<sup>21</sup> This low implementation derives from three different factors:<sup>22</sup> (i) targets for annual milestones were not attained as planned (one case); (ii) information on progress towards the milestone was not reported (three cases); and (iii) lack of appropriate means of verification for validating completion of some activities (two cases). In two cases (one recommendation from the Review of Knowledge Generation and Dissemination and one from the evaluation of the

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20 OVE sent Management a first validation of the active action plans in the ReTS in March 2022, and one month later it sent the final validation. The validations provide feedback and suggestions for Management to make the necessary adjustments.

21 In addition to identifying the action plans with low implementation in at least two years, OVE conducted an in-depth analysis of the relevant aspects that were not implemented in those years and that, if they remain pending, will endanger adoption of the recommendation.

22 Some action plans' low implementation scores are multifactorial.

Impact Evaluations), Management has tried to redirect efforts in 2021, although major elements of the recommendation have still not been addressed. In the other two cases (one recommendation in the evaluation of Impact Evaluations and one from the CPE Brazil 2015-2018) implementation has been observed to be low for three years, meaning extra attention is needed in order to allow for retiring the recommendations as adopted next year (Tables 3.4 and 3.5 and Annex IV.C).

**Table 3.4. Early warning: Action plans with relevance or implementation challenges during at least two years**

Type of evaluation	Evaluation	Recommendation number	Annual relevance rating				
			2018	2019	2020	2021	2022
Corporate	Environmental and Social Safeguards Evaluation	IDB #3	n.a.	Partial	Partial	Partial	Action plan closing year
Type of evaluation	Evaluation	Recommendation number	Annual implementation rating				
			2018	2019	2020	2021	2022
Corporate	IDB's Impact Evaluations: Production, Use, and Influence	IDB #2 <sup>a</sup>	Partial	Full	Partial	Substantial	Action plan closing year
		IDB #5 <sup>b</sup>	Negligible	Substantial	Negligible	Negligible	
	Review of Knowledge Generation and Dissemination	IDB #2 <sup>c</sup>	n.a.	Partial	Partial	Substantial	
Country	CPE Brasil 2015-2018	IDB Invest y IDB #4 <sup>d</sup>	n.a.	Partial	Partial	Partial	

Source: OVE.

Notes: N.A.: No expected targets for that year. For the early warning, OVE analyzed the implementation status of the action plans whose ratings were low for two or more years and identified the ones at risk of not being fully implemented if corrective measures are not taken.

<sup>a</sup>Action plan relevance: Full.

<sup>b</sup>Action plan relevance: Substantial.

<sup>c</sup>Action plan relevance: Substantial.

<sup>d</sup>Action plan relevance: Substantial.

**Table 3.5. Summary of action plan relevance and implementation challenges**

Evaluation	Recommendation	Summary of relevance challenges
Environmental and Social Safeguards Evaluation	IDB #3: Strengthen safeguards supervision and reporting. (...) Revisit and solidify the approach to supervising projects using a framework approach by following up regularly on sub-projects (...).	The action plan does not identify specific actions for the supervision of projects using a framework approach. In its validation, OVE underscored the importance of specifying how to improve the supervision of these projects, since they presented particular challenges during supervision.



Evaluation	Recommendation	Summary of implementation challenges and progress
IDB's Impact Evaluations: Production, Use, and Influence	IDB #2: Ensure that sector framework documents identify knowledge gaps to help guide the Bank's impact evaluation work.	Neither complete nor clear information has been provided regarding the extent to which this recommendation has been implemented systemically for all sector framework documents.
	IDB #5: Strengthen systems for quality control. (...) the Bank needs to develop a system for quality control beyond the impact evaluations published as working papers or technical notes.	Information has not been provided on the comprehensive implementation of quality guidelines, as was proposed in the action plan.
Review of Knowledge Generation and Dissemination	IDB #2: Improve the prioritization process by strengthening both the identification of knowledge gaps and guidance to staff for knowledge production at the sector and country levels.	Some country development challenges (CDC) documents mentioned knowledge gaps, but OVE has not found a comprehensive or systematic analysis focused on the prioritization process. That said, some progress has been made on certain sector framework documents (although systematic analyses are still not available) and on additional IDB Vice Presidency for Countries actions, based on the demand revealed by the client.
CPE Brazil 2015-2018	IDB Invest and IDB #4 Strengthen coordination between the Bank and IDB Invest and identify cases in which the use of sovereign-guaranteed and non-sovereign guaranteed financing for the same purposes is justified.	Management has focused on supporting public private synergies with diverse activities that include coordination among the representative and the regional coordinator to discuss specific cases in which IDB and IDB Invest resources can be used for the same purpose (to finance the same enterprise or entity). This fulfills the first part of the recommendation to strengthen coordination between IDB and IDB Invest, but not the second, given that the criteria for deciding when IDB and IDB Invest financing can be used for the same purpose remain unclear. <sup>a</sup>

Source: OVE.

Notes: <sup>a</sup>Although not reported through the ReTS, Management is currently designing a proposal for the Board of Executive Directors on specific mechanisms for creating synergies between the Bank's public- and private-sector activities. The first draft was submitted to the IDB Board of Executive Directors Special Committee and IIC Board of Executive Directors Committee on 29 August 2022 (document [CII/GN 500](#)).







# 04

Main findings of the  
ReTS 2013-2021:  
Monitoring and  
Evaluation

4.1 In response to a request by the Boards for a more in-depth examination of the progress made and challenges encountered in implementing the action plans for addressing the recommendations that they have endorsed, OVE presents its main findings on an issue that has repeatedly come up in its evaluations from 2013 to 2021: strengthening the monitoring and evaluation of programs and projects. Using the same methodology for its analysis as in the preceding report, OVE pooled the recommendations endorsed by the Boards between 2013 and 2021 and examined the issues they covered (Annex VII). The issues that came up most frequently (listed in Figure 4.1) include four that were addressed in the ReTS 2019 and ReTS 2020 reports (documents [RE-550](#) and [RE-562](#)), as well as the project completion self evaluation system which has its own annual report, and monitoring and evaluation, analyzed in this chapter. OVE based this analysis on a broad definition of monitoring and evaluation that includes the tracking of the implementation of projects and other IDB Group activities as well as the monitoring and evaluation of programs and projects. The medium-term analysis<sup>23</sup> includes progress in the implementation of action plans relating to the strengthening of monitoring and evaluation (25 recommendations), grouping together some recurrent issues associated with recommendations that include elements to strengthen the monitoring and evaluation of country program and project outcomes, project execution tracking, and evaluability. Notably, the number of recommendations and action plans associated with this issue increased in 2021 (Annex VIII).<sup>24</sup>

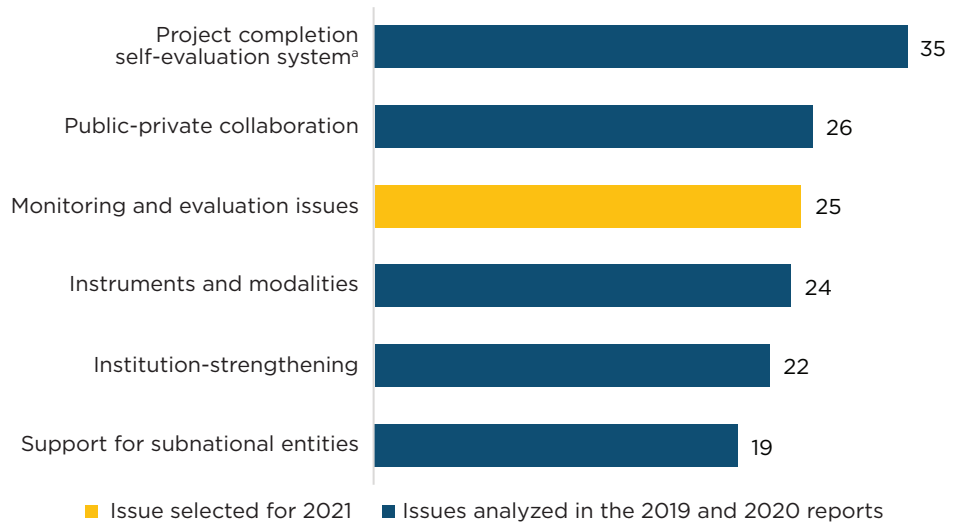
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23 The analysis in this chapter is based on information registered in the ReTS. This section is not intended to serve as an evaluation of the effectiveness or the outcomes of the issues addressed (which would require specific evaluations), nor is it designed to showcase every action taken by the IDB Group with regard to monitoring and evaluation beyond the OVE recommendations. Rather, the aim is to provide a more in-depth account of the scope of the recommendations endorsed by the Boards that goes beyond the general descriptive analysis, as well as an account of the progress made on the actions implemented by Management to address those recommendations.

24 Two recommendations made in the PCR/XSR 2020 Validation Report, two from the IDB Lab evaluation, and one from the MICI evaluation (with three action plans for the different institutions responsible for implementation: IDB, IDB Invest, and MICI).

**Figure 4.1**  
**Main issues identified in the recommendations (2013-2021)**

Source: OVE



Source: OVE. n=303. To avoid overlap, the analysis of issues considers 303 recommendations because 6 of the 309 action plans are for the same MICI recommendations but target different institutions (IDB, IDB Invest, and MICI). This figure includes only the issues that arose most frequently (either as priority or secondary issues) in 157 of the 303 recommendations. The other recommendations encompass diverse topics including the knowledge agenda; the generation, use, and dissemination of evidence; internal processes; selectivity in country strategies; dialogue and reform; prioritization of issues or sectors in the portfolios; and design improvements. Annex VIII.

Note: <sup>a</sup>Corresponds to recommendations stemming from the PCR/XSR validation reports. This subject is also discussed in Chapter III of this report and has its own annual report.

## F. Monitoring and evaluation recommendations

4.2 Nearly one-third of the evaluations prepared by OVE since 2013 contain recommendations on strengthening monitoring and evaluation. From 2013 to 2021, OVE issued 25 recommendations (in 21 evaluations) on strengthening the monitoring and evaluation of country programs and projects or that contained elements involving strengthening tracking, monitoring, and evaluation as part of a broader recommendation. All told, 7 of the 25 recommendations exclusively address strengthening the monitoring and evaluation of programs and projects,<sup>25</sup> and 18 address broader issues but include tracking, monitoring, and evaluation elements.<sup>26</sup> Most of the recommendations involving monitoring and evaluation come from nine CPEs,<sup>27</sup> and the rest are from five corporate evaluations, five sector evaluations, and

25 Two of the recommendations exclusively on monitoring and evaluation involve strengthening monitoring and evaluation at the country program level (Brazil and Jamaica), and the rest address the need to improve the monitoring and evaluation of project outcomes.

26 Other aspects covered by these recommendations include: project execution (three), results frameworks (three), design and monitoring of policy based loans series (two), allocation of technical cooperation resources (two), supervision of safeguards (two), supervision of institution strengthening activities, adoption of corrective measures (MICI) and strengthening work with the private sector, institution-strengthening, and scalability (IDB Lab).

27 The issue is discussed in 9 of the 37 CPEs published since the ReTS began.

two project and impact evaluations (Annex VIII). Implementation of the action plans for one-third of the recommendations on monitoring and evaluation (nine) continued after 2021.<sup>28</sup>

**Table 4.1. Evaluations, endorsed recommendations, and action plans in the ReTS (2013-2021)**

	Number of recommendations / action plans	Number of evaluations
<b>Total 2013-2021</b>	309 <sup>a</sup>	66
<b>On monitoring and evaluation</b>	25	21
<b>Project level<sup>b</sup></b>	22 (5 exclusively on monitoring & evaluation)	18
<b>Country program level</b>	3 (2 exclusively on monitoring & evaluation)	3

Source: OVE.

Notes: <sup>a</sup>To avoid overlap, 303 recommendations are included in the analysis of issues because 6 of the 309 action plans are for the same MICI recommendations but target different institutions (IDB, IDB Invest, and MICI).

<sup>b</sup>This category also includes monitoring of the implementation of MICI action plans, safeguards risks, and institution strengthening activities in the country.

4.3 The monitoring and evaluation recommendations have focused on the monitoring and evaluation of outcomes at the country program level and on the evaluation and tracking of project outcomes and implementation (including evaluability improvements). With regard to the former, the recommendations refer, for example, to strengthening monitoring and evaluation at the country program level and to improving the country strategies' results frameworks. The latter aspect includes the recommendations focused on strengthening the monitoring and evaluation of results based projects and tracking the implementation of policy based loan series and projects, as well as the recommendations on improving project evaluability by using clearer, better defined, and measurable indicators (Table 4.2).

**Table 4.2. Summary of monitoring and evaluation recommendations (2013-2021)**

Recommendations (frequency and description)		Summary of recommendations
<b>3</b>	<b>Country-program-level monitoring and evaluation</b>	<b>Results monitoring and evaluation (3):</b> Strengthening of the monitoring and evaluation of the country program and the strategic objectives and reinforcing the country strategy results framework (three countries: Brazil, Jamaica, and El Salvador).

28 Of the 25 recommendations, 10 were part of the 2021 validation exercise (one was retired in 2021 and nine are still active). The rest (14) closed in previous years and one was not validated (the Mid term Evaluation of IDB-9 Commitments was excluded from the ReTS validation since the Final Evaluation of the IDB-9 was including it as part of its analysis).

Recommendations (frequency and description)		Summary of recommendations
22	<b>Project-level monitoring and evaluation</b>	<p><b>Monitoring and evaluation of results (13):</b> Strengthening of the monitoring and evaluation of projects to foster learning and effectiveness over the long term, improve the continuous measurement of project performance and results matrices, review project outcomes to only propose necessary impact evaluations, and review monitoring systems to ensure they show implementation progress and challenges.</p> <p><b>Tracking of implementation (7):</b> Strengthening the tracking of the execution of projects and policy based loan series, centralization of project monitoring functions, tracking of institution-strengthening activities, and tracking of climate change mitigation and adaptation activities and outcomes (at the project and Bank portfolio levels). There is also a recommendation for MICI on tracking action plans with corrective measures.</p> <p><b>Evaluability (2):</b> Improved evaluability notes to explain the development effectiveness matrix scores. Improvements in private-sector project evaluability to demonstrate additionality and effectiveness (public-private partnerships in Peru).</p>

Source: OVE.

Note: Only 24 of the 25 recommendations have action plans because the Mid term Evaluation of the IDB 9 Commitments did not.

## G. Progress made on and challenges to the action plans associated with monitoring and evaluation recommendations

4.4 Most of the actions undertaken by Management to address the recommendations on strengthening monitoring and evaluation have been relevant and have been fully or substantially implemented. All the action plans for recommendations made exclusively about monitoring and evaluation (7) were relevant, and 14 of the 17<sup>29</sup> action plans for recommendations made regarding broader issues that also include monitoring and evaluation elements were also relevant. The low relevance in two of the three action plans was due to aspects of the recommendation that did not involve monitoring and evaluation.<sup>30</sup> In terms of the implementation of recommendations retired between 2013 and 2021, six of seven recommendations exclusively on monitoring and evaluation and seven of eight recommendations on broader issues that included monitoring and evaluation elements were fully or substantially implemented.<sup>31</sup> The six recommendations on broader

29 All told, 17 of the 18 recommendations on broader issues had action plans, because the Mid term Evaluation of IDB 9 Commitments did not. Of the 17, 13 action plans had an implementation score. The other four are new action plans for which implementation began in 2021.

30 The action plan for recommendation #3 of the Environmental Safeguards Evaluation received a relevance score of partial, since it did not identify specific actions for the supervision of projects using a framework approach.

31 The action plan for recommendation #4 of the CPE Jamaica 2009-2014 earned an overall implementation score of partial. In addition, the action plan for the CPE Colombia 2011-2014 did not receive an implementation ranking since its relevance score was negligible.

issues that included monitoring and evaluation aspects and were active in 2021 were fully or substantially implemented. Therefore, implementation of the actions that address this issue has been better than implementation of all active plans as a whole.

- 4.5 Most of the recommendations that exclusively concerned monitoring and evaluation and were retired in 2021 or in previous years were adopted (six of seven), and the reasons why some of the recommendations on broader issues were not adopted did not involve monitoring and evaluation aspects. Of the 15 recommendations on monitoring and evaluation that were retired in 2021 or in prior years, seven were recommendations made exclusively about monitoring and evaluation and eight addressed broader issues but included monitoring and evaluation considerations. Of the seven recommendations exclusively on monitoring and evaluation, six were adopted and only one (recommendation #4 of the CPE Jamaica 2009-2014) on strengthening monitoring and evaluation around the country program contribution and outcomes was not adopted, due to partial implementation of actions. Furthermore, two of the eight retired recommendations that included tracking, monitoring, and evaluation aspects within broader issues were not adopted (Table I.8.2 of the Annex). An analysis of the reasons why these recommendations were not adopted shows that in all cases it was due to their low relevance ratings, and unrelated to their monitoring and evaluation aspects.
- 4.6 From 2013 to 2021, Management has implemented actions to strengthen the monitoring and evaluation of country program outcomes in three countries. Two of the three recommendations on strengthening the monitoring and evaluation of country program outcomes were retired in prior cycles (CPE Brazil 2011-2014, with full adoption, and CPE Jamaica 2009-2014, with partial adoption), and one action plan is still being implemented (CPE El Salvador 2015-2019). Notable among the implemented actions are the simplification of the Jamaica country strategy results matrix, progress on strengthening portfolio tracking in Brazil, and progress on the El Salvador Country Strategy 2021-2024, to provide it with a results framework aligned with the proposed objectives.
- 4.7 Management has also made progress on implementing the recommendations on strengthening the monitoring and evaluation of results based projects and tracking implementation and evaluability. All told, 10 of the 13 recommendations on project level monitoring and evaluation that were retired until 2021 were adopted, and all the action plans that are still being implemented had implementation ratings of substantial or full in 2021. The following notable advancements were made on strengthening project monitoring and evaluation: development of an

agricultural database that will make it possible to perform impact evaluations in support of the agricultural sector; development of an annex with guidelines for preparing financial intermediary project completion reports, training sessions on monitoring and evaluation for execution units (Trinidad and Tobago 2011-2015), and actions carried out to prepare project completion reports for the interrupted programmatic series of policy based loans (Panama 2010-2014). In addition, in 2016 the Office of Strategic Planning and Development Effectiveness notes on evaluability were improved to explain the development effectiveness matrix evaluability scores, and, in 2018, Management approved a change to the development effectiveness matrix template that entailed calibrating the development effectiveness matrix score distribution to avoid creating incentives for performing unnecessary impact evaluations or proposing impact evaluations that will not be carried out (document [OP-1696-1](#)).







# 05

## Conclusions

- 5.1 The ReTS periodically provides information on implementation of the recommendations endorsed by the Boards of Executive Directors so that the IDB Group can continue to improve its performance and outcomes. The ReTS methodology aligns with the practices of other international financial institutions. OVE and Management have consolidated the progress made in previous years and continue to work on some areas for improvement. Although the natural process of adjusting to the new system of action plan registration implemented in 2021 led to some delays in validation this cycle, the ongoing coordination between OVE and SPD did make it possible to resolve several of the problems that came up.
- 5.2 In this sixth validation exercise under the ReTS, OVE found improvements in implementation of the action plans, with some room for enhancing efforts to improve their evaluability and relevance. In 2021, OVE tracked 120 action plans stemming from 29 evaluations. Most of the action plans were relevant in addressing the recommendations, and compared to the year before, a higher percentage was implemented as planned. However, in terms of relevance, two of the five action plans with low relevance in 2021 received this low rating because the pertinent adjustments to improve them had not been made. Furthermore, one-fifth of the active action plans exhibit shortcomings in evaluability (a similar percentage to previous years). Of these, most are action plans whose evaluability was low in previous cycles. In addition, the evaluability of the new action plans in 2021 was slightly lower than in 2020. The action plans targeting IDB Invest had higher evaluability, relevance, and implementation scores compared to the ones for the IDB and for the IDB and IDB Invest together.
- 5.3 The information available in the ReTS indicates that in 2021, a higher percentage of recommendations have been adopted compared to in all the preceding years, although two recommendations were retired as not adopted. In 2021, 31 of the 33 recommendations were fully or substantially adopted upon completion of the ReTS tracking cycle (a higher percentage than in all previous years), one recommendation was adopted only partially (the recommendation from the CPE Barbados 2014-2018), and one received a negligible adoption rating (the recommendation from the corporate evaluation of the IDB Group's Impact Evaluations). Although the fact that most of the recommendations being retired from the system were fully adopted constitutes significant progress, the fact that there are still recommendations that have not been adopted indicates that some questions emphasized in the OVE evaluations remain to be resolved.

- 5.4 As part of the early warning analysis, five recommendations were identified as having action plans that have faced relevance and/or implementation challenges in at least two validation periods and for which greater efforts must be made to ensure their respective recommendations can be adopted in future cycles. Despite some improvement over the past few years, nearly half of all the action plans entered into the ReTS with low relevance were retired without their score having improved in 2021 or in prior exercises. For this reason, it is important to identify the action plans whose relevance score has remained low, and accordingly highlight the need to make appropriate adjustments to enable adoption of the recommendations. In 2021, an action plan whose relevance score had been low for three consecutive years was identified. If this action plan's relevance does not improve, the respective recommendation will be retired as not adopted in the next cycle. With regard to implementation, OVE identified four action plans, corresponding to recommendations that will be retired from the ReTS in the next cycle, that have exhibited implementation challenges in at least two validation years. For two of these four action plans, Management made efforts to improve implementation in 2021, but significant elements of the recommendation have still not been addressed. This suggests that the efforts to make progress on implementation of these action plans must be intensified.
- 5.5 The medium term analysis (2013-2021) on the monitoring and evaluation of country programs and projects, a recurring issue in the OVE recommendations, found that most of these action plans were relevant and their actions have been fully or substantially implemented. All told, 25 of the recommendations registered in the ReTS since 2013 (309) address the monitoring and evaluation of country programs and projects and improvements in project execution tracking. Of these 25, 7 were recommendations made exclusively about monitoring and evaluation and the others were broader recommendations that included monitoring and evaluation issues. Most of the action plans for putting recommendations on monitoring and evaluation into effect have been relevant and fully or substantially implemented. The challenges noted in the action plans whose recommendations were not adopted were due to their low relevance in aspects unrelated to monitoring and evaluation, and only one recommendation made exclusively about monitoring and evaluation was not adopted, due to the partial implementation of actions to strengthen the monitoring and evaluation of the country program. Therefore, the recommendations on this issue are mostly found to have been addressed, with better implementation performance than has been observed with all active plans as a whole.

5.6 Although important improvements were shown in the implementation of action plans and the adoption of recommendations in 2021, there is still room to bolster the efforts to improve the action plans with low relevance and evaluability and to report progress on implementation. As shown in the retrospective analysis of all the recommendations retired in the history of the ReTS, ensuring that the action plans are relevant from the time they are registered in the system is highly important to ensuring they can be adopted; modifying the active action plans with low relevance is also important. With regard to evaluability, in 2021 most of the action plans with low evaluability were ones whose low evaluability scores had carried over from previous years. Therefore, it is important to step up the efforts made by Management in the past few years to adjust action plans with evaluability and relevance problems in a timely fashion, to make it possible to address all the recommendations endorsed by the Boards of Executive Directors. In addition, and given that some action plans' low scores were because Management had not provided information on or means of verification for their progress, there is clearly still room to continue improving information reporting on action plan implementation.

## Office of Evaluation and Oversight - OVE

Established in 1999 as an independent evaluation office, OVE evaluates the performance and development effectiveness of the activities of the Inter-American Development Bank Group (IDB Group). These evaluations seek to strengthen the IDB Group through learning, accountability and transparency.

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